

**109<sup>th</sup> CONGRESS**  
**PERMIT FCU'S TO CASH CHECKS, ETC., FOR NON-MEMBERS**

*BACKGROUND*

Reaching the underserved and providing basic financial services to those who need it most has been a priority for local and national policy makers and financial services providers. In 2001, the NCUA suggested to House Financial Services Committee Chairman Mike Oxley, that to further their outreach efforts, federal credit unions be permitted to cash checks, money orders and similar services for individuals who are in the field of membership, but not members, as a way of introducing those people to traditional, safe, and less expensive, federally insured financial services providers.

*LEGISLATIVE STATUS*

U.S. House of Representatives

On February 10, 2005, House Financial Services Committee member Jim Gerlach (R-PA) introduced legislation [H.R. 749](#), the “Expanded Access to Financial Services Act of 2005.” The bill is co-sponsored by Paul Kanjorski (D-PA), Brad Sherman (D-CA), Ron Paul (R-TX), Steven LaTourette (R-OH), Joe Baca (D-CA) and Luis Gutierrez (D-IL).

H.R. 749 would amend the Federal Credit Union Act to permit federal credit unions to offer the services of money orders, check cashing, and money transfers to those in the FOM, but not members. On April 12, 2005 the legislation was reported to the House by the Committee on Financial Services.

The legislation, as approved by the House Financial Services Committee would:

- Allow credit unions to sell within their field of membership, negotiable checks (including traveler’s checks), money orders, and other similar money transfer instruments (including international and domestic electronic fund transfers).
- Allow credit unions to cash checks and money orders and receive international and domestic electronic fund transfers for persons in the field of membership for a fee.

On April 26, 2005, the legislation was passed by the House of Representatives by voice vote.

Permitting credit unions to provide check cashing and money transfer services to non-members was a subject of Chairman Johnson’s [testimony](#) before the House Subcommittee on Financial Institutions and Consumer Credit on June 9, 2005.

## U.S. Senate

H.R. 749 was referred to the Senate Committee on Banking, Housing, and Urban Affairs on April 27, 2005.

Reaching the non-banked was a subject of Chairman Johnson's [testimony](#) before the Senate Committee on Banking, Housing, and Urban Affairs on June 21, 2005.

A similar provision is included in [S. 31](#), Section 3 which is sponsored by Sen. Sarbanes and others.

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